

SABINE PARISH SHERIFF
MANY, LOUISIANA
GOVERNMENTAL FUND – GENERAL FUND
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 1996

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
EXPENDITURES			
Public safety:			
Personnel services & related benefits	\$985,520	\$910,591	\$74,929
Operating services	216,540	233,609	(17,069)
Materials and supplies	160,280	145,821	14,459
Travel and other charges	26,850	19,381	7,469
Debt service:			
Principal retirement	3,540	3,582	(42)
Interest	0	8,161	(8,161)
Capital outlay	75,000	29,580	45,420
Miscellaneous	0	1,366	(1,366)
Total expenditures	<u>1,467,730</u>	<u>1,352,091</u>	<u>115,639</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	16,040	131,015	114,975
FUND BALANCE AT BEGINNING OF YEAR	<u>248,803</u>	<u>248,803</u>	0
FUND BALANCE AT END OF YEAR	<u>\$264,843</u>	<u>\$379,818</u>	<u>\$114,975</u>

The accompanying notes are an integral part of these statements.

SABINE PARISH SHERIFF
MANY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

Changes in long-term debt during the year ended June 30, 1996 is as follows:

	<u>June 30,</u> <u>1995</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30,</u> <u>1996</u>
Sales tax bonds:				
1993 issue	\$1,775,000		\$155,000	\$1,620,000
1995 issue	250,000		25,000	225,000
Sabine Bank note	3,582		3,582	-
	-----	-----	-----	-----
	\$2,028,582	\$ -	\$183,582	\$1,845,000
	=====	=====	=====	=====

(10) Restricted Assets - Proprietary Fund Type

Restricted assets were composed of the following at June 30, 1996:

	<u>Amount</u>
Sales tax bonds:	
Sinking fund	\$193,000
Reserve fund	180,193
Inmate deposit account	1,610

Total restricted assets	\$374,803
	=====

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
STRUCTURE RELATED MATTERS NOTED IN A FINANCIAL
STATEMENT AUDIT CONDUCTED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Honorable Guffey Lynn Pattison
Sabine Parish Sheriff
Many, Louisiana

I have audited the general purpose financial statements of the Sabine Parish Sheriff as of June 30, 1996, and for the year then ended, and have issued my report thereon dated January 17, 1997.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of the Sabine Parish Sheriff is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitation in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing my audit of the general purpose financial statements of the Sabine Parish Sheriff, for the year ended June 30, 1996, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control structure and its operation that I consider to be material weaknesses as defined above.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered material weaknesses as defined above.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH LAWS AND REGULATIONS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS ISSUED BY THE GAO**

Honorable Guffey Lynn Pattison
Sabine Parish Sheriff
Many, Louisiana

I have audited the general purpose financial statements of the Sabine Parish Sheriff as of June 30, 1996, and for the year then ended, and have issued my report thereon dated January 17, 1997.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Sabine Parish Sheriff is the responsibility of management. As a part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of the Sabine Parish Sheriff's compliance with certain provisions of laws, regulations, contracts, and grants. However, my objective was not to provide an opinion on the overall compliance with such provisions. Accordingly, I do not express such an opinion.

Material instances of noncompliance consist of failures to follow requirements, or violations of prohibitions, contained in statutes, regulations, contracts or grants, that cause me to conclude that the aggregation of the misstatements resulting from those failures or violations is material to the financial statements. The results of my tests of compliance disclosed the following material instance of noncompliance.

The audit for the year ended June 30, 1996 was not completed within six months as required by state law due to the impact on the practitioner's practice of a death in his immediate family. Subsequent to February 1, 1997 the practitioner has made arrangements with another practitioner for emergency backup services should a similar situation arise in the future.

I considered this instance of noncompliance in forming my opinion on whether the Sabine Parish Sheriff's 1996 general purpose financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect my report dated January 17, 1997 on those financial statements. The results of my tests indicate that, with respect to the items tested, the Sabine Parish Sheriff complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to my attention that caused me to believe that the Sabine Parish Sheriff had not complied in all material respects, with those provisions.

I noted certain immaterial instances of noncompliance that I have reported to management of the Sabine Parish Sheriff in a separate letter dated January 17, 1997.

SABINE PARISH SHERIFF
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
 FOR THE YEAR ENDED JUNE 30, 1996

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	PROGRAM OR AWARD AMOUNT	CASH/ACCRUED OR (DEFERRED) REVENUE AT JULY 1, 1995	RECEIPTS OR REVENUE RECOGNIZED	DISBURSEMENTS EXPENDITURES	CASH/ACCRUED OR (DEFERRED) REVENUE AT JUNE 30, 1996
<u>U S DEPARTMENT OF AGRICULTURE</u>							
Passed through - Louisiana Department of Agriculture and Forestry: Food distribution	10.550		\$3,892	\$0	\$3,892	\$3,892	\$0
<u>U S DEPARTMENT OF TRANSPORTATION</u>							
Passed through Louisiana Department of Public Safety and Corrections - Louisiana Highway Safety commission Holiday enforcement program	20.600	9605-84	\$3,339	0	2,720	2,720	0
<u>U S DEPARTMENT OF JUSTICE</u>							
Passed through Louisiana Commission on Law Enforcement Drug Control - Formula grant	16.579	E96-1-012	\$43,879	0	43,879	43,879	0
Passed through Louisiana Department of Education Drug Control - Formula grant	16.579	28-96-76HS-D	\$4,000	0	4,000	4,000	0
Total Federal Financial Assistance				\$0	\$54,491	\$54,491	\$0

The notes to the financial statements are an integral part of this statement.

**INDEPENDENT AUDITORS' REPORT
ON THE SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE**

Honorable Guffey Lynn Pattison
Sabine Parish Sheriff
Many, Louisiana

I have audited the general purpose financial statements of the Sabine Parish Sheriff, for the year ended June 30, 1996, and have issued my report thereon dated January 17, 1997. These financial statements are the responsibility of the Sabine Parish Sheriff management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and the standards for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of OMB Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the Sabine Parish Sheriff, taken as a whole. The accompanying Schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Sabine Parish Sheriff. The information on this schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.



EUGENE W. FREMAUX II, CPA

January 17, 1997

SABINE PARISH SHERIFF
Many, Louisiana

OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS

SABINE PARISH SHERIFF
MANY, LOUISIANA
FIDUCIARY FUNDS – AGENCY FUNDS
SCHEDULE OF CHANGES IN BALANCES DUE TO TAXING BODIES AND OTHERS
YEAR ENDED JUNE 30, 1996

	SHERIFF'S	TAX COLLECTOR	TOTAL
BALANCES AT BEGINNING OF YEAR	\$96,745	\$43,580	\$140,325
ADDITIONS			
Deposits:			
Civil suits, sales, and seizures	226,417		226,417
Cash bonds, fines, and costs	374,877		374,877
Taxes, fees, etc., paid to tax collector		6,306,589	6,306,589
Interest earnings	6,784		6,784
Total additions	608,078	6,306,589	6,914,667
REDUCTIONS			
Taxes, fees, etc., distributed to taxing bodies and others		6,245,143	6,245,143
Deposits settled to:			
Sheriff's General Fund	109,037		109,037
Clerk of Court	47,806		47,806
Litigants and others	483,886		483,886
Total reductions	640,729	6,245,143	6,885,872
BALANCES AT END OF YEAR	\$64,094	\$105,026	\$169,120

The accompanying notes are an integral part of these statements.

SABINE PARISH SHERIFF
MANY, LOUISIANA
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
June 30, 1996

	GOVERNMENTAL	PROPRIETARY	FIDUCIARY	ACCOUNT GROUPS		TOTAL
	FUND TYPE GENERAL FUND	FUND TYPE ENTERPRISE FUND	FUND TYPE AGENCY FUNDS	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	(MEMORANDUM ONLY)
LIABILITIES, EQUITY, & OTHER CREDITS						
Liabilities:						
Accounts, salaries & withholdings payable	\$83,344	\$21,258				\$104,602
Due to taxing bodies & others			\$169,120			169,120
Due to General Fund		190,181				190,181
Payable from restricted assets:						
Inmates' deposits payable		1,480				1,480
Interest payable		30,319				30,319
Sales tax bonds - current portion		197,000				197,000
Sales tax bonds payable (Note 9)		1,648,000				1,648,000
Note payable (Note 9)					\$0	0
Total liabilities	<u>83,344</u>	<u>2,088,238</u>	<u>169,120</u>	<u>0</u>	<u>0</u>	<u>2,340,702</u>
Equity and other credits:						
Investment in general fixed assets				\$647,742		647,742
Retained earnings:						
Reserved (Note 9)		180,193				180,193
Unreserved		359,835				359,835
Fund balance, unreserved & undesignated	379,818					379,818
Total equity & other credits	<u>379,818</u>	<u>540,028</u>	<u>0</u>	<u>647,742</u>	<u>0</u>	<u>1,567,588</u>
Total liabilities, equity and other credits	<u>\$463,162</u>	<u>\$2,628,266</u>	<u>\$169,120</u>	<u>\$647,742</u>	<u>\$0</u>	<u>\$3,908,290</u>

The accompanying notes are an integral part of these statements.

SABINE PARISH SHERIFF
Many, Louisiana

OTHER SUPPLEMENTARY INFORMATION

SHERIFF'S FUND

The Sheriff's Fund accounts for funds held in civil suits, sheriff's sales, and garnishments and payment of these collections to the recipients in accordance with applicable law. It also accounts for collections of bonds, fines, and costs and payment of these collections to the recipients in accordance with applicable laws.

TAX COLLECTOR FUND

Article V, Section 27, of the Louisiana Constitution of 1974 provides that the sheriff will serve as the collector of state and parish taxes and fees. The Tax Collector Fund is used to collect and distribute these taxes and fees to the appropriate taxing bodies.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH THE GENERAL REQUIREMENTS APPLICABLE TO NONMAJOR
FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

Honorable Guffey Lynn Pattison
Sabine Parish Sheriff
Many, Louisiana

I have audited the general purpose financial statements of the Sabine Parish Sheriff as of June 30, 1996, and for the year then ended, and have issued my report thereon dated January 17, 1997.

I have applied procedures to test the Sabine Parish Sheriff's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the schedule of federal financial assistance, for the year ended June 30, 1996:

- Political activity
- Civil rights
- Cash management
- Federal financial reports
- Allowable costs/cost principles
- Drug-free workplace act
- Administrative requirements

My procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement for Single Audits of State and Local Governments". My procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Sabine Parish Sheriff's compliance with the requirements listed in the preceding paragraph. Accordingly, I do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to my attention that caused me to believe that the Sabine Parish Sheriff, had not complied, in all material respects, with those requirements. Also, the results of my procedures did not disclose any immaterial instances of noncompliance with those requirements.

This report is intended solely for the use of management and the Legislative Auditor of the State of Louisiana and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



EUGENE W. FREMAUX II, CPA

January 17, 1997

SABINE PARISH SHERIFF
MANY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

a stated interest rate of 3.95 percent to allow the jail construction project to proceed. The Bonds mature annually in amounts ranging from \$125,000 beginning August 1, 1994 to \$240,000 on August 1, 2003 and are payable solely from and secured by an irrevocable pledge and dedication of the proceeds of the sales tax. On April 24, 1995 an additional \$250,000 of Bonds were sold at a stated interest rate of 6.5%. The 1995 issue Bonds mature annually in amounts ranging from \$25,000 beginning April 1, 1996 to \$38,000 on April 1, 2003 and are payable solely from and secured by an irrevocable pledge and dedication of the proceeds of the sales tax.

The following is a schedule by years of future debt service under the above Bonds and note payable:

<u>Year ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1997	\$ 197,000	\$ 75,258	\$ 272,258
1998	208,000	66,590	274,590
1999	220,000	57,463	277,463
2000	227,000	47,909	274,909
2001	239,000	37,929	276,929
2002	251,000	27,424	278,424
2003	263,000	16,394	279,394
2004	240,000	4,740	244,740
	-----	-----	-----
Total	\$1,845,000	\$333,705	\$2,178,705
	=====	=====	=====

Under the terms of the bond agreement, all revenues from the sales tax are pledged and dedicated to the retirement of the Bonds, and are to be used for the following expressed purposes:

(a) Operation of the Sabine Parish Detention Center.

(b) Each month, beginning December 1993, there will be set aside into a fund called the "Sales Tax Bond Sinking Fund 1993" (the "Sinking Fund"), a sum equal to one-eighth (1/8) the principal and interest falling due on August 1, 1994, and thereafter a sum equal to one-sixth (1/6) of the interest due on the next interest payment date and one-twelfth (1/12) of the principal falling due on the next principal payment date, together with such additional proportionate sum as may be required to pay said principal and interest as the same respectively become due. The balance required at June 30, 1996 is \$193,902. The present balance is \$193,000.

(c) The establishment of a "Sales Tax Bond Reserve Fund - 1993" (the "Reserve Fund"), by transferring upon sale of the bonds a sum of \$118,000, and monthly beginning December 1993 a sum of \$2,000 per month until a sum equal to the Reserve Fund Requirement (Reserve Requirement) is on deposit.

The Reserve Requirement is the lesser of (i) 10% of the proceeds of the bonds (\$215,000) or (ii) the highest combined principal and interest requirements in any year (\$291,105).

The balance required at June 30, 1996 is \$180,000. The present balance is \$180,193.

A portion of retained earnings is reserved to cover the restricted assets for future debt service on the revenue bonds (the Reserve Fund).

Costs of issuing the bonds amounted to \$36,946 and are being amortized over the life of the bonds using the interest method. Amortization amounted to \$5,629 in the year ended June 30, 1996.

SABINE PARISH SHERIFF
MANY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

Actuarially required contributions:	
For dedicated taxes:	
Dollar amount	6,092,800
Percent of estimated payroll	3%
For employees and employers:	
Dollar amount	16,419,067
Percent of estimated payroll	8%
Net assets	483,222,419
Pension benefit obligations	(502,220,699)

Unfunded pension benefit obligations	\$(18,998,280)
	=====

The pension benefit obligation is a standardized measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rated benefits, estimated to be payable in the future as a result of employee service to date. The System does not make separate measurements of assets and pension benefit obligations for individual employers.

(7) Changes in Agency Fund balance

A summary of changes in agency fund unsettled deposits follows:

	<u>Sheriff's</u> <u>Fund</u>	<u>Tax</u> <u>Collector</u> <u>Fund</u>	<u>Total</u>
Balance, June 30, 1995	\$ 96,745	\$ 43,580	\$ 140,325
Additions	608,079	6,306,589	6,715,881
Reductions	(640,730)	(6,245,143)	(6,760,428)
	-----	-----	-----
Balance, June 30, 1996	\$ 64,094	\$ 105,026	\$ 140,325
	=====	=====	=====

(8) Litigation and claims

The sheriff is a party to several legal proceedings involving suits filed against the sheriff for various reasons. These matters are being handled by the sheriff's liability insurance carrier and the administration does not believe the sheriff is exposed to any material losses in these proceedings, therefore no provision for losses, if any, is included in the financial statements.

(9) Long-term debt

Note payable - Sabine State Bank

The note dated July 25, 1992 in the original amount of \$11,519 payable to Sabine State Bank in monthly installments of \$295, including interest at 10.5 percent, with the last installment due July 25, 1996, was paid off in the year ended June 30, 1996.

Sales tax bonds - Enterprise Fund

A proposition to levy a one-fourth of one percent sales tax for the benefit of the Law Enforcement District of Sabine Parish to fund acquisition and construction of a new parish jail was passed in a special election held on May 1, 1993. The sales tax was effective July 1, 1993. On December 1, 1993, \$1,900,000 of Sales Tax Bonds (Bonds) were issued with

SABINE PARISH SHERIFF
MANY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

Deletions	-0-

Balance, June 30, 1996	\$647,742
	=====

A summary of proprietary fund type property, plant and equipment at June 30, 1996 is as follows:

Buildings	\$1,859,190
Site improvements	97,253
Equipment	124,915

	\$2,081,358
	=====

(6) Pension plan

Substantially all employees of the Sabine Parish Sheriff are members of the Louisiana Sheriff's Pension and Relief Fund (System), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees.

All sheriffs and deputies who are found to be physically fit, who earn at least \$400 a month, and who are between the ages of 18 and 50 at the time of original employment are required to participate in the System. Employees are eligible to retire at or after age 55 with at least 12 years of credited service and receive a benefit, payable monthly for life, equal to the percentage of their final-average salary for each year of credited service. The percentage factor to be used each year of service is 2.5 percent for each year if total service is at least 12 but less than 15 years, 2.75 percent for each year if total service is at least 15 but less than 20 years, and 3 percent for each year if total service is at least 20 years. In any case, the retirement benefit cannot exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination as indicated previously. Employees who terminate with at least 20 years of credited service are also eligible to elect early retirement benefits between the ages of 50 and 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled to at age 55. The System also provides death and disability benefits. Benefits are established by state statute.

Contributions to the System include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and a direct appropriation from the State of Louisiana. State statute requires covered employees to contribute a percentage of their salaries to the System. The employer's contributions are determined by an actuarial valuation of the prior fiscal year.

The following provides certain disclosures for the sheriff and the retirement system for the year ended June 30, 1996:

Sabine Parish Sheriff

Total current year payroll	\$ 1,034,705
Total current year covered payroll	966,253
Contributions:	
Employees (8.7%)	80,098
Employer (6%)	55,240

Retirement System

Estimated payroll	194,878,004
-------------------	-------------

SABINE PARISH SHERIFF
MANY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

Total column on balance sheet

Total columns on the general purpose financial statements are captioned "(Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position, in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

(2) Cash and cash equivalents

At, June 30, 1996 the sheriff had cash and cash equivalents as follows:

Interest bearing demand deposits	\$955,495
Non-interest bearing demand deposits	10,250
Petty cash	250

Total	\$965,995
	=====

These deposits are secured by federal deposit insurance (\$110,250) and the pledge of securities owned by the fiscal agent bank (\$655,495). Pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

(3) Ad valorem taxes

The ad valorem tax millage levied for the year ended June 30, 1996 was 12.13 mills for the Sabine Parish Law Enforcement District.

(4) Receivables

The General Fund receivables at June 30, 1996 consisted of the following:

Fees, charges and commissions for services	\$27,504
Grants receivable	17,136
Video poker taxes	15,674
Miscellaneous	10,562

Total	\$79,916
	=====

Enterprise Fund receivables at June 30, 1996 consisted of the following:

Fees for housing prisoners	\$ 61,040
Sales taxes	44,281
Miscellaneous	9,722

Total	\$115,043
	=====

(5) Changes in fixed assets

A summary of changes in general fixed assets, comprised of office furniture and equipment, follows:

Balance, June 30, 1995	\$618,162
Additions	29,580

SABINE PARISH SHERIFF
MANY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

of encumbrance accounting is not used. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

Cash and cash equivalents

Louisiana law authorizes the sheriff to deposit tax collections in interest-bearing accounts with a bank domiciled in the parish where the funds are collected. In addition, these funds may be invested in certificates of deposit or other investments permitted by Louisiana law.

Consistent with GASB Statement 9, Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting, the sheriff defines cash and cash equivalents as follows:

Cash - includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

Cash equivalents - short term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates. Generally, only investments with original maturities of three months or less qualify under this definition.

Fixed assets and long-term debt

Fixed assets are recorded as expenditures at the time purchased, and the related assets are capitalized (reported) in the general fixed assets account group. General fixed assets provided by the parish police jury are not recorded within the general fixed assets account group. No depreciation has been provided on general fixed assets. Approximately 92 percent of the fixed assets are valued at historical cost, while the remaining 8 percent of fixed assets are valued at estimated historical cost based upon cost of like items.

Long-term liabilities expected to be financed from governmental funds are accounted for in the general long-term debt account group.

Depreciation of all exhaustible fixed assets by the proprietary fund is charged as an expense against its operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings	20-40 years
Site improvements	40 years
Equipment	5-15 years

The Proprietary Fund began recording depreciation expense over the useful lives of the related fixed assets when the detention center was completed in November 1994. Net interest expense during construction was capitalized as part of fixed assets costs.

Compensated absences

Full-time deputies earn 10 to 15 days of annual leave each year, which must be taken in the year earned. In addition, the deputies also accrue one day of sick leave per month worked, which is cumulative; however, unused sick leave is not paid upon retirement or termination. Therefore, at June 30, 1996, there are no accumulated and vested benefits relating to annual and sick leave that require accrual or disclosure.

SABINE PARISH SHERIFF
MANY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

Fiduciary funds - Agency Funds

Agency funds are used as depositories for civil suits, cash bonds, taxes, fines and other fees. Disbursements from these funds are made to various parish agencies and litigants in suits in the manner prescribed by law. The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Proprietary Fund - Enterprise Fund

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing the service on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Basis of accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements and relates to the timing of the measurements made, regardless of the measurement focus applied. The General Fund is accounted for using a flow of current financial resources measurement focus. The accompanying general purpose financial statements have been prepared on the modified accrual basis of accounting, except for the Tax Collector Agency Fund, which is prepared on the cash basis of accounting, which approximates the modified accrual basis of accounting. The General Fund used the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected within the first calendar quarter of the year.

Intergovernmental revenues are recorded when the sheriff is entitled to the funds.

Interest earnings on interest-bearing demand deposits are recorded at the end of each month when credited by the bank. Interest earnings on time deposits are recorded when the time deposits have matured and the income is available.

Substantially all other revenue is recorded when received.

Expenditures

Expenditures are recognized under the modified accrual basis of accounting when the related fund liability is incurred.

The Proprietary Fund is accounted for using the accrual basis of accounting whereby revenues are recognized when they are earned and expenses are recognized when they are incurred.

Budget practices

Budgets are made available for public inspection and published in the official journal prior to the start of the fiscal year. The budget is legally adopted and amended, as necessary, by the sheriff. All expenditure appropriations lapse at year end. A system

SABINE PARISH SHERIFF
MANY, LOUISIANA
FIDUCIARY FUNDS -- AGENCY FUNDS

COMBINING BALANCE SHEET

June 30, 1996

	SHERIFF'S	TAX COLLECTOR	TOTAL
ASSETS			
Cash and cash equivalents	<u>\$64,094</u>	<u>\$105,026</u>	<u>\$169,120</u>
LIABILITIES			
Due to taxing bodies and others	<u>\$64,094</u>	<u>\$105,026</u>	<u>\$169,120</u>

The accompanying notes are an integral part of these statements.

A review will be undertaken to determine how controls over this equipment can be improved.

2. Existing condition

Subsidiary records for general fixed assets have not been updated to reflect recent activity.

Recommended action

Subsidiary records for general fixed assets should be updated monthly.

Management's response

Procedures will be implemented to require that the general fixed asset records are updated monthly.

3. Existing condition

Interfund receivables and payables at June 30, 1996 were not in balance.

Recommended action

Proper accounting controls require that interfund receivables and payables are reconciled each month.

Management's response

Effective July 1996, interfund receivables and payables are being reconciled at the end of each month.

* * * * *

The above observations and recommendations are not all inclusive. I would like to thank you for your cooperation during my engagement.

Sincerely,



EUGENE W. FREMAUX II, CPA

January 17, 1997

RECEIVED
LEGISLATIVE AUDITOR
97 MAR 12 AM 8:53

**OFFICIAL
FILE COPY**

DO NOT SEND OUT

(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

Sabine Parish Sheriff

Many, Louisiana

FINANCIAL REPORT

JUNE 30, 1996

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date APR 09 1997

Eugene W. Fremaux II

Certified Public Accountant

SABINE PARISH SHERIFF
MANY, LOUISIANA
JUNE 30, 1996

TABLE OF CONTENTS

	<u>EXHIBIT</u>	<u>SCHEDULE</u>	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS	-	-	1
GENERAL PURPOSE FINANCIAL STATEMENTS:			
Combined balance sheet - all fund types and account groups	A	-	2
Combined statement of revenues, expenditures and changes in fund balance	B	-	4
Statement of revenues, expenses, and changes in retained earnings - proprietary fund type	C	-	6
Statement of cash flows - proprietary fund type	D	-	7
Notes to financial statements	-	-	8
OTHER SUPPLEMENTARY INFORMATION:			
Fiduciary funds - Agency funds:			
Combining balance sheet	-	1	17
Schedule of changes in balances due to taxing bodies and others	-	2	18
INDEPENDENT AUDITOR'S REPORT ON THE SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE	-	-	20
Schedule of federal financial assistance	-	3	21
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH LAWS AND REGULATIONS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <u>GOVERNMENT AUDITING STANDARDS</u> ISSUED BY THE GAO	-	-	22
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE RELATED MATTERS NOTED IN A FINANCIAL STATEMENT AUDIT CONDUCTED IN ACCORDANCE WITH <u>GOVERNMENT AUDITING STANDARDS</u>	-	-	24
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS	-	-	26
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE GENERAL REQUIREMENTS APPLICABLE TO NONMAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS	-	-	27
INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL CONTROL USED IN ADMINISTERING FEDERAL FINANCIAL ASSISTANCE PROGRAMS	-	-	28
MANAGEMENT LETTER	-	-	30

INDEPENDENT AUDITOR'S REPORT

Honorable Guffey Lynn Pattison
Sabine Parish Sheriff
Many, Louisiana

I have audited the accompanying general purpose financial statements of the Sabine Parish Sheriff as of June 30, 1996, and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of the Sabine Parish Sheriff. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and the standards for financial and compliance audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Sabine Parish Sheriff as of June 30, 1996, and the results of its operations and cash flows of its proprietary fund types for the year ended June 30, 1996, in conformity with generally accepted accounting principles.

My audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying financial information listed as "Other Supplementary Information" in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the Sabine Parish Sheriff. The information in these schedules has been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and in my opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

In accordance with Government Auditing Standards, I have also issued a report dated January 17, 1997 on my consideration of the Sabine Parish Sheriff's internal control structure and a report dated January 17, 1997 on its compliance with laws and regulations.



EUGENE W. FREMAUX II, CPA

January 17, 1997

SABINE PARISH SHERIFF
MANY, LOUISIANA
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
June 30, 1996

	GOVERNMENTAL FUND TYPE GENERAL FUND	PROPRIETARY FUND TYPE ENTERPRISE FUND	FIDUCIARY FUND TYPE AGENCY FUNDS	ACCOUNT GROUPS		TOTAL (MEMORANDUM ONLY)
				GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	
ASSETS						
Cash and cash equivalents (Note 2)	\$193,015	\$29,057	\$169,120			\$391,192
Receivables (Note 4)	79,916	115,043				194,959
Due from Enterprise Fund	190,181					190,181
Deposits	50	200				250
Restricted assets - cash and cash equivalents (Note 10)		374,803				374,803
General fixed assets (Note 5)				\$647,742		647,742
Land		111,165				111,165
Detention Center buildings & equipment		2,081,358				2,081,358
Accumulated depreciation (Note 5)		(104,975)				(104,975)
Bond issuance costs (Note 9)		36,946				36,946
Accumulated amortization		(15,331)				(15,331)
Amount to be provided for retirement of general long-term debt					\$0	0
Total assets	<u>\$463,162</u>	<u>\$2,628,266</u>	<u>\$169,120</u>	<u>\$647,742</u>	<u>\$0</u>	<u>\$3,908,290</u>

The accompanying notes are an integral part of these statements.

SABINE PARISH SHERIFF
MANY, LOUISIANA
GOVERNMENTAL FUND – GENERAL FUND
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 1996

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Ad valorem taxes	\$683,000	\$696,135	\$13,135
Intergovernmental revenues:			
Federal grants	70,000	50,599	(19,401)
State grants:			
Supplemental pay	90,120	55,592	(34,528)
State revenue sharing	64,500	64,664	164
Other	90,000	0	(90,000)
Fees, charges, and commissions for services:			
Commissions on licenses, etc.	86,840	124,607	37,767
Civil & criminal fees	64,830	216,765	151,935
Court attendance	6,180	7,225	1,045
Transporting prisoners	12,810	1,732	(11,078)
Feeding and keeping prisoners	176,810	157,294	(19,516)
Interest earnings	10,170	17,085	6,915
Miscellaneous	128,510	91,408	(37,102)
Total revenues	<u>1,483,770</u>	<u>1,483,106</u>	<u>(664)</u>

The accompanying notes are an integral part of these statements.

SABINE PARISH SHERIFF
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS –
 PROPRIETARY FUND TYPE
 YEAR ENDED JUNE 30, 1996

Operating revenues:	
Sales taxes	\$479,879
State supplemental pay	31,390
Federal grants	3,892
Fees for housing prisoners	634,182
Farm revenues	42,642
Other	57,388
Total operating revenues	<u>1,249,373</u>
Operating expenses:	
Personnel services & related benefits	483,626
Operating services	143,031
Materials and supplies	296,630
Travel and other charges	4,170
Depreciation	63,334
Total operating expenses	<u>990,791</u>
Operating income	<u>258,582</u>
Nonoperating revenues (expenses):	
Interest income	14,088
Interest expense	(86,011)
Total nonoperating revenues (expenses)	<u>(71,923)</u>
Net income	186,659
Retained earnings, beginning of year	<u>353,370</u>
Retained earnings, end of year	<u>\$540,029</u>

The accompanying notes are an integral part of these statements.

I also noted other matters involving the internal control structure and its operation that I have reported to the management of the Sabine Parish Sheriff, in a separate letter dated January 17, 1997.

This report is intended solely for the use of management and the Legislative Auditor of the State of Louisiana and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



EUGENE W. FREMAUX II, CPA

January 17, 1997

SABINE PARISH SHERIFF
MANY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

(1) Summary of significant accounting policies

Introduction

Under provisions of the Louisiana Constitution, the sheriff serves an elected four-year term as the chief executive officer of the law enforcement district and as ex-officio tax collector of the parish. The sheriff administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, and serving subpoenas.

As chief law enforcement officer of the parish, the sheriff has responsibility for enforcing state and local laws and ordinances within the territorial boundaries of the parish. The sheriff provides protection to the residents of the parish through on-site patrols and investigations and serves the residents of the parish through the establishment of neighborhood watch programs, anti-drug abuse programs, and other anti-crime programs. In addition, when requested, the sheriff provides assistance to other law enforcement agencies within the parish.

Serving as ex-officio tax collector of the parish, the sheriff is responsible for collecting and distributing ad valorem property taxes, parish occupational licenses, state revenue sharing funds, and angling, hunting, and trapping licenses.

Basis of presentation

The accompanying financial statements of the Sabine Parish Sheriff have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Reporting entity

For financial reporting purposes, the sheriff includes all funds, account groups and activities that are controlled by the sheriff as an independently elected parish official. The sheriff is solely responsible for the operation of his office, which includes the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Other than certain operating expenditures of the sheriff's office that are paid or provided by the parish police jury as required by Louisiana law, the sheriff is financially independent. Accordingly, the sheriff is a separate governmental reporting entity.

Fund accounting

A fund is a separate accounting entity with a self-balancing set of accounts. An account group is a financial reporting device designed to provide accountability for certain assets or liabilities that are not recorded in funds because they do not directly affect net expendable available financial resources.

Fund of the sheriff are classified into two categories as follows:

Governmental funds - General Fund

The General Fund is the general operating fund of the sheriff. The sheriff's primary source of revenue is an ad valorem tax levied by the law enforcement district, along with commissions on state revenue sharing, state supplemental pay for deputies, civil and criminal fees, and fees for court attendance and maintenance of prisoners.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR FEDERAL
FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS**

Honorable Guffey Lynn Pattison
Sabine Parish Sheriff
Many, Louisiana

I have audited the general purpose financial statements of the Sabine Parish Sheriff for the year ended June 30, 1996, and have issued my report thereon dated January 17, 1997.

In connection with my audit of the general purpose financial statements of Sabine Parish Sheriff, and with my consideration of Sabine Parish Sheriff's control structure used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-128, "Audits of State and Local Governments." I selected certain transactions applicable to certain nonmajor programs for the year ended June 30, 1996. As required by Circular A-128, I have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed; matching, level of effort, and earmarking; special reporting requirements; and special tests and provisions that are applicable to those transactions. My procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Sabine Parish Sheriff's compliance with these requirements. Accordingly, I do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to my attention that caused me to believe that Sabine Parish Sheriff had not complied, in all material respects, with those requirements.

This report is intended solely for the use of management and the Legislative Auditor of the State of Louisiana and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



EUGENE W. FREMAUX II, CPA

January 17, 1997

Comments

Subsequent to June 30, 1996 the firewood production facilities were relocated to the Detention Center. Since the Detention Center is staffed all the time, and there is normally more than one deputy on duty, the relocation should also allow for greater internal control over firewood sales.

11. Existing condition

Numerous instances were noted where maintenance items were purchased, however there was no clear documentation of exactly what the item was used for or what piece of equipment it was used on.

Corrective action

The establishment of centralized control over purchases will basically allow this condition to be eliminated by obtaining the needed information before a purchase order is issued.

Comments

None.

12. Existing condition

Fixed asset records for the Enterprise Fund only exist for broad categories and need to be more detailed. Procedures need to be established for periodic inventories of these assets.

Corrective action

Assets were inventoried, however detail fixed asset records with related cost information has not yet been completed. Deputy Ingle indicated that plans are for this project to be completed as soon as possible.

Comments

None.

13. Existing condition

The GED instructor at the Detention Center is currently being paid partially by a payroll check and partially out of the commissary account as an independent contractor.

Corrective action

The GED instructor was changed to be paid 100% as an employee of the sheriff.

Comments

None.

CURRENT YEAR RECOMMENDATION

1. Existing condition

There is currently no complete and up-to-date record of portable equipment that has been issued to various deputies, therefore if the equipment disappears for whatever reason, there is no accountability to an individual deputy.

Recommended action

Controls over portable equipment should be improved by using a tracking system designed to identify what deputy is responsible for what equipment.

Management's response

No instances were noted in the year ended June 30, 1996.

7. Existing condition

The inmate deposit account is not being reconciled to the subsidiary ledger by an employee not involved in the inmate deposit account recordkeeping.

Corrective action

No action was taken on this condition during the year ended June 30, 1996.

Comments

Deputy Ingle has indicated that she will begin to review the reconciliation for this account on a monthly basis.

8. Existing condition

As of June 30, 1995 the amount required to be on deposit in the Sales Tax Bond Sinking and Reserve Funds was short of the required amount by \$29,398. The chief civil deputy indicated that the shortage was solely the result of a computational error.

Corrective action

Additional funds were transferred to the Bond Sinking and Reserve Funds in June 1996 to meet the requirements of the Bond Agreement as of June 30, 1996. However, the Bond Agreement calls for monthly deposits, which were not made during the year ended June 30, 1996. Deputy Ingle indicated that beginning in July 1996 that the required deposits are being made on a monthly basis.

Comments

The above action should resolve this condition of non-compliance with the Bond Agreement deposit provisions.

9. Existing condition

The present payroll and general ledger software being used is not adequate and requires a lot of maintenance to continue using the software. In addition, current procedures require the distribution of payroll checks immediately after the payroll period ends, thereby allowing very little time to prepare and process the payroll error.

Corrective action

Beginning in May 1996, the payroll distribution date was moved back a week after the payroll cutoff date to allow for reasonable time for payroll processing. Subsequent to June 30, 1996 the software has been corrected to perform the payroll calculations.

Comments

The above actions will greatly improve the productivity of payroll processing.

10. Existing condition

Internal controls over the production and sale of farm items (such as firewood) were not adequate to determine if all sales were recorded. In addition, numerous instances were noted where checks for the payment of firewood sold were not made out to the sheriff, but the payee was left blank.

Corrective action

Controls and recordkeeping in this area was improved to allow production and sales of these items to be tracked. Procedures were changed to prohibit accepting checks not made out to the sheriff.

Comments

No violations of the public bid law were noted in the year ended June 30, 1996. The centralization of control over purchases will allow greater control over purchases.

3. Existing condition

Two areas were noted where cash receipts were not deposited daily. Fines and inmate deposits were only deposited 2 or 3 times per month.

Corrective action

No significant changes in depositing procedures were noted in the year ended June 30, 1996. Subsequent to June 30, 1996, Chief civil deputy Ingle has changed procedures to allow for more frequent deposits in the areas where deposits were being only made several times a month. Deputy Ingle indicated that additional changes are expected so that all significant cash receipts will be deposited on a daily basis.

Comments

Non-compliance with the daily deposit requirements in selected areas appears to relate to individual workload problems and not to any intentional effort to not comply with the requirements.

4. Existing condition

The chief civil deputy signs checks and reconciles the bank account for the DARE Fund and occasionally makes deposits for this account, thereby resulting in a concentration of control in one employee.

Corrective action

No change in duties occurred in the year ended June 30, 1996, however chief civil deputy Ingle has indicated that she will avoid signing checks on this account.

Comments

The sheriff should sign all checks on this fund in the future.

5. Existing condition

Cash receipts in two areas are not prenumbered thereby losing one of the elements of internal control.

Corrective action

No change occurred in this condition during the year ended June 30, 1996, however subsequent to June 30, 1996 all cash receipts received at the main counter in the office are computer generated and numbered.

Comments

The action taken will improve internal control and will also help in compliance with the daily deposit requirement discussed in number 3 above.

6. Existing condition

In several instances it was noted that awards were given to students in the DARE program, however the supporting documentation did not indicate who received these items.

Corrective action

All awards will be documented as to who received them and when.

Comments

Honorable Guffey Lynn Pattison
Sabine Parish Sheriff
Many, Louisiana

In connection with my audit of the general purpose financial statements of the Sabine Parish Sheriff as of June 30, 1996 and for the year then ended, I offer the following observations and recommendations, which are intended to help improve the operations of the Sheriff and are to be constructive in nature:

PRIOR YEAR RECOMMENDATIONS

1. Existing condition

During the last year the sheriff has worked to reduce the unreconciled difference of his Sheriff's Agency Fund, however as of June 30, 1995 the cash (book) balance of \$96,745 has not been reconciled to the subsidiary records. This fund is a fiduciary fund of the sheriff and accounts for funds held in connection with civil suits, sheriff's sales and garnishments. In addition, the fund accounts for collection of bonds, fines and costs and payment of these collections to the recipients according with applicable laws.

Corrective action

A new computerized subsidiary system was designed, tested and put into operation in December 1995 to allow for reliable accumulation of data on fines and bonds, and subsequent disbursement thereof, in the Sheriff's Agency Fund. In addition, research back to 1986 on the unreconciled amount of undisbursed fines and bonds reduced the unreconciled amount to \$52,550. After discussions between the Sheriff, District Attorney and the 11th Judicial District judges, the District Attorney filed a motion to disburse the \$52,550 to the Sabine Parish Criminal Court Fund. The motion was approved by all three 11th Judicial District Judges and the funds were so disbursed.

Comments

The above action by the Sheriff has resolved a long standing internal control problem for the Sheriff's Agency Fund. At June 30, 1996 the subsidiary records reconciled to the Sheriff's Agency Fund.

2. Existing condition

As noted in prior audits, several instances were noted where the sheriff did not comply with the Louisiana public bid law during the year ended June 30, 1995. These instances all related to the construction activities at the new jail as follows:

- a) purchase of fencing - \$15,464
- b) purchase of heating and air conditioning - \$15,115
- c) purchase of floor covering - \$13,010

Corrective action

No major changes in purchasing procedures occurred in the year ended June 30, 1996, however effective in July 1996 chief civil deputy Janell Ingle is now in charge of approving all non-recurring purchases in excess of \$50 and also controls the issuance of purchase orders. Deputy Ingle indicated that all purchases of \$10,000 or more will be advertised for bid in accordance with the public bid law.

Drug-free workplace act
Administrative requirements

For all of the internal control structure categories listed above, I obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and I assessed control risk.

During the year ended June 30, 1996, the Sabine Parish Sheriff has no major federal financial assistance programs and expended 100% of its total federal financial assistance under the following nonmajor federal financial assistance programs:

U. S. Department of Agriculture - Passed through the Louisiana
Department of Agriculture and Forestry - Food Distribution

U. S. Department of Justice - Passed through Louisiana
Department of Education - Drug Control

U. S. Department of Justice - Passed through Louisiana
Commission on Law Enforcement - Drug Control

U. S. Department of Transportation - Passed through Louisiana
Department of Public Safety and Corrections

I performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that I have considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to the aforementioned nonmajor programs. My procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, I do not express such an opinion.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control structure and its operation that I consider to be material weaknesses as defined above.

I also noted other matters involving the internal control structure and its operation that I have reported to the management of the Sabine Parish Sheriff, in a separate letter dated January 17, 1997.

This report is intended solely for the use of management and the Legislative Auditor of the State of Louisiana and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



EUGENE W. FREMAUX II, CPA

January 17, 1997

**INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL CONTROL
STRUCTURE USED IN ADMINISTERING FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

Honorable Guffey Lynn Pattison
Sabine Parish Sheriff
Many, Louisiana

I have audited the general purpose financial statements of the Sabine Parish Sheriff as of June 30, 1996, and for the year then ended, and have issued my report thereon dated January 17, 1997.

I conducted my audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

In planning and performing my audit for the year ended June 30, 1996, I considered the Sheriff's internal control structure in order to determine my auditing procedures for the purpose of expressing my opinion on the Sheriff's general purpose financial statements and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses my consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. I have addressed internal control structure policies and procedures relevant to my audit of the general purpose financial statements in a separate report dated January 17, 1997.

The management of the Sabine Parish Sheriff, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, I have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

General Requirements
Political Activity
Civil Rights
Cash management
Federal financial reports
Allowable costs/cost principles

Specific Requirements
Types of services allowed or unallowed
Special reporting requirements
Matching, level of effort, and
earmarking requirements
Special tests and provisions

SABINE PARISH SHERIFF
STATEMENT OF CASH FLOWS – PROPRIETARY FUND TYPE
YEAR ENDED JUNE 30, 1996

Cash flows from operating activities:	
Cash received from sales taxes and fees	\$1,234,177
Cash payments to suppliers and employees	(956,291)
Inmates' deposits received	62,791
Inmates' deposits refunded	(62,233)
Net cash provided by operating activities	<u>278,444</u>
Cash flows from capital and related financing activities:	
Repayment of Sales Tax Bonds	(180,000)
Interest paid on Sales Tax Bonds	(82,302)
Receipt of interest	14,088
Payments for construction activities	(19,562)
Net cash provided by capital and related financing activities	<u>(267,776)</u>
Net increase in cash and cash equivalents	10,668
Cash and cash equivalents, beginning of year	<u>393,192</u>
Cash and cash equivalents, end of year	<u>\$403,860</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	<u>\$258,582</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	63,334
(Increase) in accounts receivable	(15,196)
Decrease in inventory	1,809
(Decrease) in accounts payable	(17,247)
(Decrease) in due to other funds	(13,396)
Increase in Inmates' deposits payable	558
Total adjustments to operating income	<u>19,862</u>
Net cash provided by operating activities	<u>\$278,444</u>

The accompanying notes are an integral part of these statements.